ALBERTA FINANCE

WEEKLY ECONOMIC REVIEW – MARCH 31, 2006

The U.S. Federal Reserve Board increased its Fed funds rate for the fifteenth consecutive time this week, up 25 basis points to 4.75 per cent. Although this was Bernanke's first meeting as chair, the statement was unchanged from his predecessor, stating "some further policy firming may be needed". The Fed remains concerned that "possible increases in resource utilization, in combination with the elevated prices of energy and other commodities, have the potential to add to inflation pressures."

Cdn Dollar (C¢/US$)

Mar 31, 2006	85.7¢
Mar 24, 2006	85.7¢
2005-06 YTD	83.9¢

WTI Oil SUS/bbl

Mar 30, 2006	$67.15
Mar 23, 2006	$63.91
2005-06 YTD	$59.98

Nymex Natural Gas CS/mcf*
May Contract

Mar 31, 2006	$8.38
Mar 24, 2006	$8.62

*Estimate based on Nymex Futures Market Price

Alberta's population increased by 2.5 per cent in January 2006 to 3.3 million people, the highest rate of growth among the provinces and more than two and a half times the national growth rate. A large increase in the number of people moving from other provinces to booming Alberta represented majority of the population increase.

Tightening labour markets continued to put upward pressure on wages in January, with average weekly earnings increasing by 4.8 per cent from a year ago both nationally and in Alberta. Anecdotal evidence is showing an increase in retention packages being offered to employees in Alberta, ranging from monetary bonuses, free vacations, consumer goods and education savings packages. These incentives are in addition to the signing bonuses and incentives being offered to new employees in most sectors across the province.

The average selling price of a home in Alberta was up 22 per cent in February from a year ago, as a shortage of homes available and strong demand persist. Nationally, home prices were up 12 per cent.

A perceived threat of Iran halting crude exports in retaliation to a U.N. call for Iran to end its' uranium enrichment program helped send the price of crude to a two month high of US$67/bbl. Tensions in other oil exporting countries continue to contribute to supply concerns.

Economic Indicators Released this Week	Reference Period	Month/Previous Month	Month/Previous Year's Month	Year-to-date[1]
Average Weekly Earnings	**January**			
Alberta	787.21	0.4%	4.8%	n/a
Canada	744.11	0.9%	4.8%	n/a
Industrial Product Price Index (1997=100)	**February**			
Canada	111.3	-0.4%	0.6%	1.5%
Raw Materials Price Index (1992=100)	**February**			
Canada	150.3	-3.2%	10.6%	14.1%
Population (Thousands)	**January 2006**			
Alberta	3,306	n/a	2.48%	n/a
Canada	32,423	n/a	0.98%	n/a

Source: Statistics Canada
[1]Year-to-date 2006 compared to the same time period in 2005. For example: January-February 2006 versus January-February 2005